

**Mattawan Consolidated School**

**Financial Statements**

**June 30, 2024**



**YEO & YEO**

**BUSINESS SUCCESS  
PARTNERS**

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**Mattawan Consolidated School**  
**Members of the Board of Education and Administration**  
**June 30, 2024**

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**Members of the Board of Education**

Mr. Ted Roethlisberger – President

Ms. Shari Magrath – Vice President

Ms. Vickie Mabin-Herzberg – Treasurer

Mr. Mark Noffsinger – Secretary

Ms. Marika Hawes-Ruhrup – Trustee

Mr. Rick George – Trustee

Mr. Onur Arugaslan – Trustee

**Administration**

Mr. Randy Fleenor – Superintendent

Mrs. Pam Stermer – Chief Financial Officer

## Independent Auditors' Report

Management and the Board of Education  
Mattawan Consolidated School  
Mattawan, Michigan

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mattawan Consolidated School, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Mattawan Consolidated School's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mattawan Consolidated School, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mattawan Consolidated School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mattawan Consolidated School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government*

*Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mattawan Consolidated School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mattawan Consolidated School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability (asset), and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mattawan Consolidated School's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of Mattawan Consolidated School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mattawan Consolidated School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mattawan Consolidated School's internal control over financial reporting and compliance.

*Yeo & Yeo, P.C.*

Kalamazoo, Michigan  
October 22, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Mattawan Consolidated School  
Management’s Discussion and Analysis  
June 30, 2024**

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This section of Mattawan Consolidated School’s annual financial report presents our discussion and analysis of the District’s financial performance during the year ended June 30, 2024. Please read it in conjunction with the District’s financial statements, which immediately follow this section.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Mattawan Consolidated School financially as a whole. The district-wide financial statements provide information about the activities of the whole District, presenting both an aggregate view of the District’s finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the District’s operations in more detail than the district-wide financial statements by providing information about the District’s most significant fund – the General Fund, with all other funds presented in one column as non-major funds. The remaining statement, the statement of fiduciary net position, presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents. The annual report is arranged as follows:

***Management’s Discussion and Analysis (MD&A)***  
***(Required Supplemental Information)***

**Basic Financial Statements**

***District-wide Financial Statements***

***Fund Financial Statements***

***Notes to the Basic Financial Statements***

***(Required Supplemental Information)***  
***Budgetary Information for Major Funds***

***Other Supplemental Information***



**Mattawan Consolidated School  
Management's Discussion and Analysis  
June 30, 2024**

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These two (2) statements report the District's net position – the difference between assets and liabilities, as reported in the statement of net position – is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position – as reported in the statement of activities – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

The statement of net position and statement of activities report the governmental activities for the District, which encompass all of the District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted State Aid (foundation allowance revenue), and state and federal grants finance most of these activities.

**Reporting the District's Most Significant Funds – Fund Financial Statements**

The District's fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes (the Food Service Fund, for example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the District use the following accounting approach:

Governmental funds – All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation.

**The District as Trustee – Reporting the District's Fiduciary Responsibilities**

The District is the trustee, or fiduciary, for any accounts or funds in its care. With the implementation of GASB 84 any of the District's fiduciary activities are reported in separate statements of fiduciary assets and liabilities. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Mattawan Consolidated School  
Management's Discussion and Analysis  
June 30, 2024**

**The District as a Whole**

Recall that the statement of net position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2024 and 2023.

**Table 1**

	Governmental Activities (in millions)	
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 19.8	\$ 18.9
Net OPEB asset	1.2	-
Capital assets	82.1	84.8
Total assets	103.1	103.7
<b>Deferred Outflows of Resources</b>		
Deferred amount on debt refunding	2.0	2.3
Deferred amount on net pension liability	24.2	24.9
Deferred amount on net OPEB asset	5.2	7.2
Total deferred outflows of resources	31.4	34.4
Total assets and deferred outflows of resources	134.5	138.1
<b>Liabilities</b>		
Current liabilities	8.3	7.6
Long-term liabilities	153.2	171.1
Total liabilities	161.5	178.7
<b>Deferred Inflows of Resources</b>		
Deferred amount on net pension liability	11.4	4.6
Deferred amount on net OPEB asset	9.6	9.5
Total liabilities and deferred inflows of resources	182.5	192.8
<b>Net Position</b>		
Invested in property and equipment – net of related debt	.5	(1.2)
Restricted	3.3	1.9
Unrestricted	(51.8)	(55.8)
Total net position	\$ (48.0)	\$ (55.1)

The above analysis focuses on the net position (Table 1). The change in net position (Table 2) of the District's governmental activities is discussed below.

**Mattawan Consolidated School  
Management's Discussion and Analysis  
June 30, 2024**

The net position was \$(48.0) million at June 30, 2024 and \$(55.1) million at June 30, 2023. Capital assets, net of related debt, compares the original cost less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net position for day-to-day operations.

The unrestricted net position of governmental activities represents the *accumulated* results of all past year's operations. The unrestricted net position balance enables the District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net position for fiscal year 2024 and 2023.

<b>Table 2</b>	Governmental Activities	
	(in millions)	
	2024	2023
<b>Revenue</b>		
Program revenue		
Charges for services	\$ 1.4	\$ 2.1
Federal grants and entitlements	8.5	8.6
General revenue		
Property taxes	11.2	10.5
State foundation allowance	37.7	35.5
Other	.4	.4
Total revenue	59.2	57.1
<b>Functions/Program Expenses</b>		
Instruction	29.0	28.5
Support services	18.8	18.4
Food services/Community services	2.0	1.3
Interest and fiscal charges on debt	2.3	2.5
Depreciation (\$4.3M, allocated w/in above activities)	0.0	4.6
Total Expenses	52.1	55.3
<b>Increase (Decrease) in net position</b>	\$ 7.1	\$ 1.8

As reported in the statement of activities, the cost of all of our *governmental* activities this year was \$52.1 million. Certain activities were partially funded from those who benefited from the programs, \$1.4 million; or by other governments and organizations that subsidized certain programs with grants and contributions, \$8.5 million. We paid for the remaining "public benefit" portion of our governmental activities with \$11.2 million in taxes, \$37.7 million in State foundation allowance, and with our other revenues of \$.4 million, i.e., interest and general entitlements.

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Management's Discussion and Analysis  
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**The District's Funds**

As we noted earlier, the District uses individual funds to help it control and manage money for particular purposes. Looking at the individual funds helps the reader consider whether the District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the District's overall financial health.

As the District completed this year, the governmental funds reported a combined fund balance of \$11.8 million, which was about \$500,000 higher than last year. Offsetting effects contributed to the stability in the overall district fund balance:

General Fund, our principal operating fund, posted a \$1.6 million increase to the fund balance with revenues exceeding expenditures for the fiscal year. The projected increase to fund balance was approximately \$600,000, so actual exceeded projected by nearly \$1.0 million. The increase in fund balance was due to a combination of more revenue received and less expense than budgeted.

Other notable changes in fund balances that contributed to total District fund balance remaining stable was an increase in the Food Service fund balance due to more grant funds received, while there were decreases in existing capital project funds as the District further liquidates them. Additionally, the District passed another bond in May 2024 and by the end of June that Capital Project Fund already posted expense and since the revenue for the project had not yet been received, it resulted in a negative fund balance. This also contributed to the overall offset to the increase in District fund balances.

**Student Enrollment**

The District's student enrollment for the fall count of 2023-2024 was 3,706 students, which was a slight decrease from the prior fall. The student FTE continues to include non-public school student FTE as a result of the District's Shared Time Services program. The Shared Time student enrollment increased again by about 15 FTE from the 2022-2023 school year and equaled about 145 FTE of the total District enrollment.

Shared Time was introduced in 1985, when the Michigan Supreme Court rendered a decision in support of shared time programming on eligible non-core and elective classes. These areas include: art, computers, foreign language, music, physical education, other additional electives, such as advanced placement courses, and online learning opportunities. Shared time teaching subsidizes existing classes and provides new curriculum offerings for students in non-public schools. The District is able to count non-public student FTE in these classes. Shared Time Services is a program the District expects to grow to the extent allowed by state statute.

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Management’s Discussion and Analysis  
June 30, 2024**

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The funding formula for fiscal year 2024 used the 90/10 method by which a blended student count is derived from using 90% of the fall student count plus 10% of the previous spring student count. The resulting blended student count is used in calculating district state aid dollars. The following summarizes fall student enrollments in the past several years:

	<u>Student FTE</u>	<u>Change from Prior Year</u>
2023-2024	3,706	-27
2022-2023	3,733	28
2021-2022	3,705	208
2020-2021	3,497	-284
2019-2020	3,781	21
2018-2019	3,760	-53
2017-2018	3,813	16
2016-2017	3,797	-45

The preliminary 2024-2025 budget shared in June 2024 used a blended student count of 3,653.52, which was based on a fall 2024 estimated student FTE of 3,650. At the time of this writing, preliminary estimated fall student count is approximately 3,727, so slightly higher than projected in June.

**Property Valuations**

In accordance with Act 539, Public Acts of Michigan, 1982, as amended, and Article IX, Section 3 of the Michigan Constitution, the ad valorem State Equalized Valuation (SEV) represents 50% of true cash value. SEV does not include any value of tax-exempt property (e.g. churches, governmental property) or property granted tax abatements under Act 198, Public Acts of Michigan, 1974, as amended. As a result of Proposal A enacted in 1994, ad valorem property taxes are assessed on the basis of taxable value, which is subject to assessment caps.

Taxable property in the District is assessed by the local municipal assessor and is subject to review by the County Equalization Department. As shown in the Historical Valuations Table below, taxable values have been increasing at very healthy rates from year to year for about the last 5-7 years. The rate of increase in taxable values in fiscal year 2024 was 7.7% which was another increase over the prior year’s growth rate of 6.0%. Aside from fiscal year 2022, the last several years have seen 5-10% increases in property values so fiscal year 2024 continued that trend.

When taxable values increase, the amount of operating revenue the District’s General Fund receives does not change much since the District can only receive the amount of funding in total that is a result of its student count and the Per Pupil Foundation Grant. The non-homestead portion of the taxable value figures into that calculation and state aid funding makes up the difference. When taxable values are higher, the District does receive more funding for debt retirement since that is a direct calculation on the total valuation.

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Management's Discussion and Analysis  
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**Historical Valuations**

Fiscal Year	Homestead	Non-Homestead	Total Valuation
2024	\$ 918,147,278	\$ 189,973,265	\$ 1,108,120,543
2023	844,644,570	184,529,531	1,029,174,101
2022	800,932,735	169,848,377	970,881,112
2021	769,932,327	167,617,344	937,549,671
2020	737,445,644	150,922,949	888,368,593
2019	710,847,228	125,360,426	836,207,654
2018	657,266,545	101,543,859	758,810,404
2017	635,730,597	95,466,368	731,196,965
2016	614,262,914	93,682,793	723,021,257

**Foundation Allowance per Pupil**

The following table shows a history of the District's Foundation Allowance per Pupil:

	Per Pupil Amount
2023 – 2024	\$ 9,608
2022 – 2023	9,150
2021 – 2022	8,700
2020 – 2021	8,111
2019 – 2020	8,111
2018 – 2019	7,871
2017 – 2018	7,631
2016 – 2017	7,511

The projected Per Pupil Foundation Grant amount for the 2024-2025 school year we used in the preliminary budget was \$9,849, an increase of \$241 per student from the 2023-2024 school year. This projection was in line with the governor's proposed budget for 2024-2025 and considered the likely funding scenario however, subsequent to approving our preliminary 2024-2025 general fund budget at the end of June 2024, the State of Michigan passed a school aid budget providing for a \$0 increase to the Per Pupil Foundation Grant. There were some alternative funding streams provided instead that related to retirement expense reimbursement. The District will make adjustments for the change in revenue in its first budget amendment in fiscal year 2025.

**General Fund Budgetary Highlights**

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the 2023-2024 budget was

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Management’s Discussion and Analysis  
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adopted just before fiscal year end, as required by law however a mid-year amendment was also made to the General Fund budget in January 2024. A schedule showing the District’s original, amended and final budget amounts is provided in required supplementary information of these financial statements.

**Revenues**

Final amended revenues were about \$3.6 million higher than what was originally projected in June 2023. The majority of the revenue increase occurred in state aid receipts, accounting for about \$2.6 million of the total increase. General UAAL funding was up about \$400,000 while additional special education funding and general state aid added about \$800,000. Retirement funding, as well as At-Risk funding and other categorical grants the District received accounted for the balance of the increase in revenue.

Local tax receipts and additional funding from the Van Buren Intermediate School District for special education and transportation contributed just over \$500,000 to the remaining \$1.0 million increase in revenue from originally projected. Federal revenue accounted for the remaining \$500,000 of the increase after it was more clearly determined what the ESSER funding was being used for during 2023-2024 and those revenues could be recognized.

**Expenditures**

Final amended expenditures were higher than originally budgeted by nearly \$3.0 million. Matching of revenues received for retirement and grants accounted for about half of the expense increase. The rest of the expense increase occurred due to adding back some staff positions not originally included in the budget, unbudgeted expense in capital equipment replacement in operations, and substitute teacher costs. In summary, the District incurred variances between the original budget and final budget amounts, as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
Revenues	\$ 44,468,338	\$ 48,075,642	\$ 3,607,304
Expenditures	44,495,678	47,424,528	\$ 2,928,850

**Mattawan Consolidated School  
Management's Discussion and Analysis  
June 30, 2024**

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**Capital Assets and Debt Administration**

**Capital Assets**

As of June 30, 2024, the District had \$82.1 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture and equipment, net of accumulated depreciation. This amount represents a net decrease (including additions, disposals, and depreciation) of approximately \$2.7 million from last year. Specific items are prior to depreciation are detailed in the following chart:

	2024	2023
Land	\$ 740,429	\$ 740,429
Construction in progress	768,051	0
Building and building improvements	112,470,766	111,993,947
Buses and other vehicles	4,336,743	4,137,743
Furniture and Equipment	12,304,910	12,487,629
Total Capital Assets	\$ 130,620,899	\$ 128,619,319

We present more detailed information about our capital assets in the notes to the financial statements.

**Debt**

At the end of this fiscal year, the District had \$85.1 million in outstanding long-term debt, versus \$90.7 million in the previous year – a reduction in debt of 6.2%. This follows a 5.5% reduction in outstanding long-term debt last year from fiscal year 2023. The decrease this fiscal year was attributed to continued payments on general obligation bonds as well as paying off the balance of the School Loan Revolving Fund (SLRF), all in spite of a slight increase in the value of compensated absences and SLRF interest added prior to payoff. Total general obligation bonds consist of the following:

	2024	2023
General Obligation Bonds	\$ 84,871,673	\$ 90,157,626

The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the District's boundaries. If the District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit.



**Mattawan Consolidated School  
Management's Discussion and Analysis  
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**Economic Factors and Next Year's Budgets and Rates**

The District continues to focus its operations to align with the strategic plan adopted in 2022. Focus areas included were in the areas of student success, personnel success, facilities and operations, financial stewardship and community relations. The strategic plan is a dynamic document that is reviewed and goals revised annually. With this focus, the District will make operational decisions to align with goals and targets within the plan.

Tools and strategies continue to be employed to improve the areas of student success. Many such tools were implemented during the pandemic and paid for with federal ARPA, ESSER and other COVID funding. The District has evaluated usage and effectiveness as it relates to student success and opted to maintain many programs even after the exhaustion of applicable federal dollars.

In the area of personnel success, hiring and onboarding processes have been revised and improved as well as compensation structures for all staff. Average payroll for the District has increased nearly 30% in the last five (5) years, highlighting the commitment to attracting and retaining quality personnel.

The last three (3) focus areas of the strategic plan came together in fiscal year 2024 with the passage of the newest bond in May. The bond is a two (2) proposal, \$110 million project for the District that will take approximately five (5) years to complete. Major projects include a new transportation and facilities building, new Middle School cafeteria, football stadium renovation, soccer and baseball/softball complex renovations, new construction for a fieldhouse and natatorium, technology infrastructure and device replacements, bus replacements and furniture and classroom improvements at the Middle School and High School. This is a significant investment by taxpayers in the Mattawan Consolidated School District. The District appreciates the commitment and looks forward to the vast improvements this project provides.

Economically speaking, the District is at the "fiscal cliff" after ESSER and other COVID funding has expired. The District has planned for this transition and, with careful planning and monitoring finances, will be able to continue operations without the increased federal funding of the past. The State of Michigan is continuing to offer grants for specific uses, in which the District will participate. There was no increase in the unrestricted Per Pupil Foundation Grant however for the 2024-2025 school year. Instead, the State School Aid provided for a reduction in the retirement rate because the Office of Retirement Services pensions and healthcare are currently sufficiently funded. This will help reduce labor costs going forward, until or unless the law is changed as needed.

In general, there are many factors to consider when setting the next fiscal year's budget. One of the most important factors affecting the budget is student count. The State revenue, which generally comprises around 90% of the District's General Fund budget, is primarily determined by multiplying the blended student count by the Per Pupil Foundation Grant. The blended count is determined for a given fiscal year by adding 10% of the prior year's February student count and 90% of the current year's October student count. The 2024-2025 budget was adopted at the end of June 2024 and based on an estimate of students that would be enrolled in the District in fall 2024.

In general, a conservative approach was taken to develop the 2024-2025 budget and determine revenues so a projected student count of about 50 fewer students than the 2023-2024 count was used. The projected Per Pupil Foundation Grant was budgeted at \$241 more per student than in 2023-2024 based on information the State of Michigan was sharing about their fiscal year 2025 budget. Soon after the District adopted its preliminary budget

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June 30, 2024**

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in June 2024, the state-approved School Aid Budget did not include an increase in the PPFG of \$241 per student as was included in the budget. The removal of this revenue will occur in a mid-year budget revision. As previously mentioned, the District is operating a Shared Time Services business segment that will continue to provide a revenue stream.

On the expense side, staffing levels and needs are continually being monitored, as well as operational expenses. With the passage of the bond, some of the expenses for needed facility upgrades would had to have been paid for with General Fund dollars and can now be included in the 2024 Capital Projects Fund. This helps alleviate some of the looming technology, transportation, facility and other operational upgrade and replacement costs that were being planned. Health insurance costs have increased approximately 17% for fiscal year 2025. The District continues to look for operational efficiencies and cost-saving methods and procurement. As is general practice, the District will closely monitor and amend the general fund budget 1-2 times during the 2024-2025 fiscal year to adjust for changes in revenues and expenses.

Lastly, the District recognized the formation of two (2) union groups in fiscal year 2024. The first is the Mattawan Educational Support Association (MESA) and is comprised of district-employed paraprofessionals and office staff. A one (1) year contract was settled in August 2024 and will expire 6/30/2025. The Mattawan Education Association teacher contract will also expire 6/30/2025. The District will be negotiating with both groups in the spring. The second union group that formed is paraprofessionals who work at Mattawan Consolidated School but are employed by EduStaff. As of this writing, the group is currently still in negotiations with EduStaff and the District looks forward to a successful completion of that process.

Guided by its strategic plan, the District looks forward to another successful and productive year in the educational endeavor for its students.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at 56720 Murray Street, Mattawan, Michigan 49071.

## BASIC FINANCIAL STATEMENTS

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**Mattawan Consolidated School**  
**Statement of Net Position**  
**June 30, 2024**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 4,398,625
Taxes receivable	80
Accounts receivable	289,881
Due from other governmental units	9,666,583
Inventory	31,535
Investments	5,289,562
Prepaid items	102,977
Capital assets not being depreciated	1,508,480
Capital assets - net of accumulated depreciation	80,640,143
Net OPEB asset	<u>1,167,973</u>
 Total assets	 <u>103,095,839</u>
 <b>Deferred Outflows of Resources</b>	
Deferred amount on debt refunding	2,084,029
Deferred amount relating to the net pension liability	24,158,442
Deferred amount relating to the net OPEB asset	<u>5,192,850</u>
 Total deferred outflows of resources	 <u>31,435,321</u>

See Accompanying Notes to the Financial Statements

**Mattawan Consolidated School**  
**Statement of Net Position**  
**June 30, 2024**

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Accounts payable	1,215,537
State aid anticipation note payable	1,190,389
Accrued expenditures	1,501,370
Accrued salaries payable	3,825,939
Unearned revenue	614,256
Long-term liabilities	
Net pension liability	68,136,658
Due within one year	5,120,000
Due in more than one year	<u>79,983,437</u>
Total liabilities	<u>161,587,586</u>
<b>Deferred Inflows of Resources</b>	
Deferred amount relating to the net pension liability	11,357,373
Deferred amount relating to the net OPEB asset	<u>9,615,212</u>
Total deferred inflows of resources	<u>20,972,585</u>
<b>Net Position</b>	
Net investment in capital assets	489,910
Restricted for:	
Food service	957,118
Debt service	1,069,555
Specific donor instructions	100,000
Net OPEB asset	1,167,973
Unrestricted	<u>(51,813,567)</u>
Total net position	<u>\$ (48,029,011)</u>

See Accompanying Notes to the Financial Statements

**Mattawan Consolidated School**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Functions/Programs</b>				
Governmental activities				
Instruction	\$ 29,038,751	\$ -	\$ 4,925,818	\$ (24,112,933)
Supporting services	18,817,904	1,024,864	1,760,871	(16,032,169)
Food services	1,957,504	230,009	1,779,830	52,335
Community services	945	136,493	945	136,493
Interest and fiscal charges on long-term debt	<u>2,340,136</u>	<u>-</u>	<u>-</u>	<u>(2,340,136)</u>
 Total governmental activities	 <u>\$ 52,155,240</u>	 <u>\$ 1,391,366</u>	 <u>\$ 8,467,464</u>	 <u>(42,296,410)</u>
General revenues				
Property taxes, levied for general purposes				3,381,543
Property taxes, levied for debt service				7,855,471
State aid - unrestricted				37,707,778
Interest and investment earnings				210,146
Other				<u>192,669</u>
 Total general revenues				 <u>49,347,607</u>
 Change in net position				 7,051,197
 Net position - beginning				 <u>(55,080,208)</u>
 Net position - ending				 <u>\$ (48,029,011)</u>

See Accompanying Notes to the Financial Statements

**Mattawan Consolidated School**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2024**

	General Fund	<i>Moved to Nonmajor Funds 2017 Capital Projects Fund</i>	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 1,286,961		\$ 3,111,664	\$ 4,398,625
Taxes receivable	-		80	80
Accounts receivable	279,936		9,945	289,881
Due from other funds	2,450		100	2,550
Due from other governmental units	9,651,113		15,470	9,666,583
Inventory	-		31,535	31,535
Investments	3,852,767		1,436,795	5,289,562
Prepaid items	37,977		65,000	102,977
	<u>15,111,204</u>		<u>4,670,589</u>	<u>19,781,793</u>
Total assets	<u>\$ 15,111,204</u>		<u>\$ 4,670,589</u>	<u>\$ 19,781,793</u>
<b>Liabilities</b>				
Accounts payable	\$ 344,670		\$ 870,867	\$ 1,215,537
State aid anticipation note payable	1,190,389		-	1,190,389
Due to other funds	100		2,450	2,550
Accrued expenditures	1,114,786		-	1,114,786
Accrued salaries payable	3,824,281		1,658	3,825,939
Unearned revenue	583,832		30,424	614,256
	<u>7,058,058</u>		<u>905,399</u>	<u>7,963,457</u>
Total liabilities	<u>7,058,058</u>		<u>905,399</u>	<u>7,963,457</u>
<b>Fund Balances</b>				
Non-spendable				
Inventory	-		31,535	31,535
Prepaid items	37,977		65,000	102,977
Restricted for				
Food service	-		860,583	860,583
Debt service	-		1,456,139	1,456,139
Capital projects	-		1,128,931	1,128,931
Specific donor instructions	100,000		-	100,000
Committed for student/school activities	-		490,939	490,939
Assigned	1,713,537		-	1,713,537
Unassigned	6,201,632		(267,937)	5,933,695
	<u>8,053,146</u>		<u>3,765,190</u>	<u>11,818,336</u>
Total fund balances	<u>8,053,146</u>		<u>3,765,190</u>	<u>11,818,336</u>
Total liabilities and fund balances	<u>\$ 15,111,204</u>		<u>\$ 4,670,589</u>	<u>\$ 19,781,793</u>

See Accompanying Notes to the Financial Statements

**Mattawan Consolidated School**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2024**

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<b>Total fund balances for governmental funds</b>	<b>\$ 11,818,336</b>
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,508,480
Capital assets - net of accumulated depreciation	80,640,143
Net OPEB asset is not recorded as an asset in the governmental funds	1,167,973
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	2,084,029
Deferred outflows of resources resulting from the net pension liability	24,158,442
Deferred outflows of resources resulting from the net OPEB asset	5,192,850
Deferred inflows of resources resulting from the net pension liability	(11,357,373)
Deferred inflows of resources resulting from the net OPEB asset	(9,615,212)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(386,584)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(68,136,658)
Compensated absences	(231,764)
Bonds payable	<u>(84,871,673)</u>
<b>Net position of governmental activities</b>	<b><u>\$ (48,029,011)</u></b>

See Accompanying Notes to the Financial Statements



**Mattawan Consolidated School**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2024**

	General Fund	<i>Moved to Nonmajor Funds 2017 Capital Projects Fund</i>	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local sources	\$ 4,239,252		\$ 8,874,980	\$ 13,114,232
State sources	40,682,317		1,036,470	41,718,787
Federal sources	2,572,211		821,957	3,394,168
Interdistrict sources	979,250		-	979,250
	<u>48,473,030</u>		<u>10,733,407</u>	<u>59,206,437</u>
<b>Expenditures</b>				
Current				
Education				
Instruction	28,496,303		-	28,496,303
Supporting services	17,646,329		816,176	18,462,505
Food services	-		1,920,092	1,920,092
Community services	945		-	945
Capital outlay	720,903		1,398,363	2,119,266
Debt service				
Principal	-		5,264,919	5,264,919
Interest and other expenditures	-		2,470,735	2,470,735
	<u>46,864,480</u>		<u>11,870,285</u>	<u>58,734,765</u>
Excess (deficiency) of revenues over expenditures	<u>1,608,550</u>		<u>(1,136,878)</u>	<u>471,672</u>
Fund balances - beginning, as previously reported	6,444,596	\$ 1,854,308	3,047,760	11,346,664
Change within financial reporting entity - major to nonmajor fund	-	(1,854,308)	1,854,308	-
Fund balances, beginning, as adjusted	<u>6,444,596</u>	<u>-</u>	<u>4,902,068</u>	<u>11,346,664</u>
Fund balances - ending	<u>\$ 8,053,146</u>	<u>\$ -</u>	<u>\$ 3,765,190</u>	<u>\$ 11,818,336</u>

See Accompanying Notes to the Financial Statements

**Mattawan Consolidated School**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2024**

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<b>Net change in fund balances - Total governmental funds</b>	\$ 471,672
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(4,290,778)
Capital outlay	1,678,484
Expenses are recorded when incurred in the statement of activities.	
Interest	12,176
Compensated absences	5,236
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	7,771,600
Net change in deferrals of resources related to the net pension liability	(7,517,541)
The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB asset	5,673,829
Net change in deferrals of resources related to the net OPEB asset	(2,136,823)
Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Repayments of long-term debt	5,264,919
Amortization of premiums	365,953
Amortization of deferred amount on debt refunding	(247,530)
<b>Change in net position of governmental activities</b>	<b>\$ 7,051,197</b>

See Accompanying Notes to the Financial Statements

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of Mattawan Consolidated School (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

**Reporting Entity**

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

**District-wide Financial Statements**

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain

intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

**Fund Financial Statements**

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

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The School District reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Additionally, the School District reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Food Service Fund and Student/School Activity Fund.

Debt Service Funds - Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Funds - Capital Project Funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The funds are kept open until the purpose for which the fund was created has been accomplished.

**Assets, Liabilities and Net Position or Equity**

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as "due from/to other funds." These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

Property taxes and other receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2024, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	7.00000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries.

Property taxes are levied on December 1 and payable through March 15. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Van Buren and Kalamazoo and remitted to the School District by May 15.

Investments - Investments are stated at fair value.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

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School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Equipment and furniture	5 - 10 years
Buses and other vehicles	5 - 10 years

Deferred Outflows of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities (assets) in the following year.

Compensated Absences - Employees are provided with sick days each year. Retiring employees who meet certain years of service requirements are paid for accumulated sick days up to a maximum number of days and at a rate determined by their contracts. There is no contractual provision for payment of unused vacation. Unused vacation time is forfeited annually.

The liability for compensated absences reported in the district-wide financial statements consists of unpaid, accumulated sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to

receive termination payments. The amount reported is salary-related and includes fringe benefits.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions - For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

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future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

**Fund Balance** - In the fund financial statements, governmental funds report fund balances in the following categories:

**Non-spendable** - amounts that are not available in a spendable form.

**Restricted** - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

**Committed** - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

**Assigned** - amounts intended to be used for specific purposes, as determined by the board of education, or the Assistant Superintendent for Business Services. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

The School District has assigned fund balance amounts at year end in the General Fund as follows.

Curriculum	\$ 350,000
Technology	100,000
24-25 budgeted expenditures over revenues	1,138,537
Facilities	<u>125,000</u>
 Total Assignments	 <u>\$ 1,713,537</u>

**Unassigned** - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The School District has adopted a policy to maintain a minimum fund balance of five percent of the General Fund annual operating expenditures.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

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**Eliminations and Reclassifications**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

**Adoption of New Accounting Standards**

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

**Upcoming Accounting and Reporting Changes**

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization’s vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization’s accountability while also addressing certain application issues. This statement includes changes

to management’s discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The School District is evaluating the impact that the above pronouncements will have on its financial reporting.

**Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

**Fund Deficit**

The 2024 Capital Projects Fund shows an unassigned deficit of \$267,937 due to the District incurring related costs for the 2024 School Building and Site Bonds, which were not issued until September 2024.

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**Excess of Expenditures over Appropriations**

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Added needs	\$ 4,435,788	\$ 4,460,622	\$ 24,834
Pupil	1,505,964	1,506,818	854
Instructional staff	1,888,331	1,900,898	12,567
General administration	1,160,097	1,161,161	1,064
Business	1,053,034	1,065,973	12,939
Operations and maintenance	4,269,828	4,303,972	34,144
Central	1,393,785	1,424,995	31,210
Athletic activities	716,348	724,158	7,810
Capital outlay	607,905	720,903	112,998
Student/School Activity Fund	784,500	816,176	31,676

**Compliance - Bond Proceeds**

The 2024 and 2017 Capital Projects Funds includes capital project activities funded with bonds. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The fund is not yet considered substantially complete and a subsequent year audit is expected.

The following is a summary of the revenue and other financing sources and expenditures and other financing uses in the 2024 and 2017 Capital Project Funds from the inception of the funds through the current fiscal year:

	2017 Capital Projects	2024 Capital Projects
Revenues and other financing sources	\$ 22,426,126	\$ -
Expenditures and other financing uses	21,299,206	267,937
	<u>\$ 1,126,920</u>	<u>\$ (267,937)</u>

**Note 3 - Deposits and Investments**

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	\$ 4,398,625
Investments	<u>5,289,562</u>
Total	<u>\$ 9,688,187</u>

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 5,835,350
Investments in securities, mutual funds, and similar vehicles	3,852,767
Petty cash and cash on hand	<u>70</u>
Total	<u>\$ 9,688,187</u>

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio MAX Class	<u>\$3,852,767</u>	< 60 days	AAAm	S & P

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.



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As of June 30, 2024, the net asset value of the School District's investment in MILAF + Portfolio was \$3,852,767. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

**Interest rate risk** - The School District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

**Credit risk** - State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

**Concentration of credit risk** - The School District has no policy that would limit the amount that may be invested with any one issuer.

**Custodial credit risk - deposits** - In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy

for custodial credit risk. As of year end, \$5,789,311 of the School District's bank balance of \$6,496,808 was uncollateralized and uninsured.

**Custodial credit risk - investments** - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, none of the School District's investments were exposed to custodial credit risk.

**Note 4 - Capital Assets**

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 740,429	\$ -	\$ -	\$ 740,429
Construction-in-progress	-	768,051	-	768,051
Total capital assets not being depreciated	<u>740,429</u>	<u>768,051</u>	<u>-</u>	<u>1,508,480</u>
Capital assets being depreciated				
Buildings and additions	111,993,947	476,819	-	112,470,766
Equipment and furniture	12,487,629	234,614	417,333	12,304,910
Buses and other vehicles	4,137,743	199,000	-	4,336,743
Total capital assets being depreciated	<u>128,619,319</u>	<u>910,433</u>	<u>417,333</u>	<u>129,112,419</u>
Less accumulated depreciation for				
Buildings and additions	32,152,003	3,690,422	-	35,842,425
Equipment and furniture	10,040,051	331,916	417,333	9,954,634
Buses and other vehicles	2,406,777	268,440	-	2,675,217
Total accumulated depreciation	<u>44,598,831</u>	<u>4,290,778</u>	<u>417,333</u>	<u>48,472,276</u>
Net capital assets being depreciated	<u>84,020,488</u>	<u>(3,380,345)</u>	<u>-</u>	<u>80,640,143</u>
Net capital assets	<u>\$84,760,917</u>	<u>\$ (2,612,294)</u>	<u>\$ -</u>	<u>\$82,148,623</u>

**Construction Commitments**

As of year end, the District has entered into contracts for capital assets and related installation or construction costs, of which approximately \$770,000 has yet to be incurred.

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Depreciation expense of capital assets and amortization expense of right to use assets were charged to activities of the School District as follows:

**Governmental activities**

Instruction	\$ 2,488,651
Supporting services	1,630,496
Food services	<u>171,631</u>
 Total governmental activities	 <u><u>\$ 4,290,778</u></u>

**Note 5 - Interfund Receivables, Payables, and Transfers**

Interfund balances consisted of the following at year end:

Receivable Fund	Payable Fund	Amount
Nonmajor Funds	General Fund	\$ 100
General Fund	Nonmajor Funds	<u>2,450</u>
		<u><u>\$ 2,550</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

There were no interfund transfers made during the year.

**Note 6 - Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 583,832
Student lunch payments on account	<u>30,424</u>
 Total	 <u><u>\$ 614,256</u></u>

**Note 7 - State Aid Anticipation Note**

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30<sup>th</sup>. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer. The State has discretion to accelerate repayment terms if they have cause for concern. If the note is in default status, there is a penalty interest rate that may apply.

Short-term debt activity for the year was as follows:

	Beginning Balance	Proceeds	Repayments	Ending Balance
State aid anticipation note	<u>\$ 862,774</u>	<u>\$ 3,750,000</u>	<u>\$ 3,422,385</u>	<u>\$ 1,190,389</u>

**Note 8 - Long-Term Debt**

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to

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make a bond payment on behalf of the School District related to qualified bonds. For the School Loan Revolving Fund, the State may withhold state aid if the School District is in default or apply late charges in an instance of default or fails to appropriately levy debt mills.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
<b>Bonds and notes payable</b>					
General obligation bonds	\$ 88,240,000	\$ -	\$ 4,920,000	\$ 83,320,000	\$ 5,075,000
Premium on bonds	<u>1,917,626</u>	<u>-</u>	<u>365,953</u>	<u>1,551,673</u>	<u>-</u>
<b>Total bonds payable</b>	<u>90,157,626</u>	<u>-</u>	<u>5,285,953</u>	<u>84,871,673</u>	<u>5,075,000</u>
<b>Notes from direct borrowings and direct placements</b>					
School Loan Revolving Fund (SLRF)	322,160	-	322,160	-	-
Accrued interest- SLRF	<u>10,147</u>	<u>12,612</u>	<u>22,759</u>	<u>-</u>	<u>-</u>
<b>Total notes from direct borrowings and direct placements</b>	<u>332,307</u>	<u>12,612</u>	<u>344,919</u>	<u>-</u>	<u>-</u>
<b>Other liabilities</b>					
Compensated absences	<u>237,000</u>	<u>44,534</u>	<u>49,770</u>	<u>231,764</u>	<u>45,000</u>
<b>Total</b>	<u>\$ 90,726,933</u>	<u>\$ 57,146</u>	<u>\$ 5,680,642</u>	<u>\$ 85,103,437</u>	<u>\$ 5,120,000</u>

For governmental activities, compensated absences are primarily liquidated by the General Fund.

General obligation bonds payable at year end, consist of the following:

\$10,495,000 2015 Refunding serial bonds due in one installment of \$1,050,000 in 2025, interest at 4.00%	\$ 1,050,000
\$52,500,000 2015 School Building and Equipment Serial bonds due in one installment of \$1,270,000 in 2025, interest at 4.00%	1,270,000
\$53,810,000 2021 Refunding bonds due in annual installments of \$1,460,000 to \$3,750,000 through 2039, interest at 1.88% to 2.58%	49,675,000
\$17,130,000 2018 School Building and Site Serial bonds due in annual installments of \$720,000 to \$1,390,000 through 2038, interest at 4.00% to 5.00%	13,975,000
\$20,400,000 2017 School Building and Equipment Serial bonds due in annual installments of \$575,000 to \$1,375,000 through 2042, interest at 3.00% to 4.00%	<u>17,350,000</u>
<b>Total general obligation bonded debt</b>	<u>\$ 83,320,000</u>

Future principal and interest requirements for bonded debt are as follows:

Year Ending June 30,	Bonds		Total
	Principal	Interest	
2025	\$ 5,075,000	\$ 2,319,506	\$ 7,394,506
2026	5,120,000	2,160,536	7,280,536
2027	4,615,000	2,062,324	6,677,324
2028	4,720,000	1,959,388	6,679,388
2029	4,830,000	1,848,316	6,678,316
2030-2034	26,135,000	7,322,729	33,457,729
2035-2039	28,800,000	3,293,304	32,093,304
2040-2042	<u>4,025,000</u>	<u>295,000</u>	<u>4,320,000</u>
<b>Total</b>	<u>\$ 83,320,000</u>	<u>\$ 21,261,103</u>	<u>\$ 104,581,103</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$1,456,139 to pay this debt. Future debt and interest will be payable from future tax levies.

Interest and related fiscal expenditures recorded in the Debt Service Funds during the year was \$2,470,735.

**School Loan Revolving Fund**

The School Loan Revolving Fund consists of a borrowing agreement with the State of Michigan for the purpose of meeting the financing of current debt maturities on two of the School District's bond issues. In prior years, the School District issued bonds to renovate and construct School District facilities. Since the monies generated by the 7.0 mills are presently not sufficient to cover the entire debt service requirements of the School District, it has been necessary for the School District to borrow funds to meet debt service requirements. Management of the School District anticipates that as the other bonds mature, the revenues provided by the debt millage will be sufficient to satisfy the future debt service requirements of the bonds issued and all necessary borrowing from the School Loan Revolving Fund. As of year end, the remaining balance has been paid in full.

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**Compensated Absences**

Accrued compensated absence liability at year end is \$231,764. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

**Deferred Amount on Refunding**

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2039. As of year end, the unamortized balance is \$2,084,029.

**Defeased Debt**

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The final payment date is May 1, 2025. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is \$45,270,000, which is all related to the 2015 Debt issuance that was refunded in 2021.

**Note 9 - Risk Management**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. No provision has been made for possible future claims.

The School District has elected to pay for dental insurance on a self-insured basis but has an independent third party that acts as the administrator on its behalf. Under this method, the School District pays based on actual claims against the plan. At June 30, 2024 the School District has recorded a liability, which represents claims submitted and unpaid at that date. The liability is not significant to the financial statements. For governmental activities, the liability for dental benefits is primarily liquidated by the General Fund.

**Note 10 - Pension Plan**

**Plan Description**

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the

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general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)

**Benefits Provided**

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

**Contributions**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded

(overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2023.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.16%
Member Investment Plan	3.0 - 7.0%	20.16%
Pension Plus	3.0 - 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Required contributions to the pension plan from the School District were \$7,587,332 for the year ending September 30, 2023.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the School District reported a liability of \$68,136,658 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was .2105 percent, which was an increase of .0087 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized pension expense of \$9,795,048 for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total pension contribution expense of \$8,507,248.

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At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 2,150,866	\$ (104,375)	\$ 2,046,491
Changes of assumptions	9,232,827	(5,323,438)	3,909,389
Net difference between projected and actual earnings on pension plan investments	-	(1,394,297)	(1,394,297)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>4,808,923</u>	<u>(434,654)</u>	<u>4,374,269</u>
Total to be recognized in future	16,192,616	(7,256,764)	8,935,852
School District contributions subsequent to the measurement date	<u>7,965,826</u>	<u>(4,100,609)</u>	<u>3,865,217</u>
Total	<u>\$ 24,158,442</u>	<u>\$ (11,357,373)</u>	<u>\$ 12,801,069</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The District will offset the contribution expense in the year ended June 30, 2025 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

<u>Deferred (Inflow) and Deferred Outflow of Resources by Year</u> <u>(To Be Recognized in Future Pension Expenses)</u>	
2024	\$ 2,988,723
2025	2,703,731
2026	3,982,345
2027	<u>(738,947)</u>
	<u>\$ 8,935,852</u>

**Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
  - MIP and Basic Plans: 6.00% net of investment expenses
  - Pension Plus Plan: 6.00% net of investment expenses
  - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%

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- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
  - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
  - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

The recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4406 years.

The recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset

allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	40.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	100.0%	

*\*Long-term rates of return are net of administrative expenses and 2.7% inflation.*

**Rate of Return**

For the plan year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount Rate**

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between

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actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
\$ 92,052,425	\$ 68,136,658	\$ 48,225,917

**Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Payables to the Michigan Public School Employees' Retirement System (MPERS)**

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

**Note 11 - Postemployment Benefits Other Than Pensions (OPEB) Plan Description**

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Benefits Provided**

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who



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first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

**Contributions**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and

retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2023.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0%	7.21%

Required contributions to the OPEB plan from the School District were \$1,608,358 for the year ended September 30, 2023.

**OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2024, the School District reported an asset of \$1,167,973 for its proportionate share of the MPERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the

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**June 30, 2024**

measurement period. At September 30, 2023, the School District's proportion was .2065 percent, which was a decrease of .0063 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized OPEB expense of \$(1,941,327) for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total OPEB contribution expense of \$1,666,766.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(8,825,802)	\$(8,825,802)
Changes of assumptions	2,600,111	(313,103)	2,287,008
Net difference between projected and actual earnings on OPEB plan investments	3,561	-	3,561
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>1,153,560</u>	<u>(476,307)</u>	<u>677,253</u>
Total to be recognized in future	3,757,232	(9,615,212)	(5,857,980)
School District contributions subsequent to the measurement date	<u>1,435,618</u>	<u>-</u>	<u>1,435,618</u>
Total	<u>\$ 5,192,850</u>	<u>\$(9,615,212)</u>	<u>\$(4,422,362)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized

as an addition to the OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2024	\$(2,023,107)
2025	(1,821,842)
2026	(570,392)
2027	(545,599)
2028	(574,537)
Thereafter	<u>(322,503)</u>
	<u>\$ (5,857,980)</u>

**Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15; Post-65: 6.25% Year 1 graded to 3.5% Year 15

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- Mortality:
  - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
  - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

*Other Assumptions:*

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability or asset as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

The recognition period for liabilities is the average of the expected remaining service lives of all employees in years is 6.5099.

The recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	100.0%	

*\*Long-term rates of return are net of administrative expenses and 2.7% inflation.*

**Rate of Return**

For the plan year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 7.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

**Discount Rate**

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate**

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using the discount rate of 6.00%, as well as what the School District's proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ 1,210,839	\$ (1,167,973)	\$ (3,212,326)

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate**

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or asset would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (3,217,424)	\$ (1,167,973)	\$ 1,050,205

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPSERS Annual Comprehensive Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Payables to the OPEB Plan**

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

**Note 12 - Contingent Liabilities**

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

**Note 13 - Tax Abatements**

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by Antwerp Township. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities.

**Mattawan Consolidated School**  
**Notes to the Financial Statements**  
**June 30, 2024**

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For the fiscal year ended June 30, 2024, the School District's property tax revenues were reduced by \$68,834 under these programs.

There are no significant abatements made by the School District.

**Note 14 - Changes Within the Financial Reporting Entity**

During the year ended June 30, 2024, a fund that was previously reported as major in the prior year was required to be presented as non-major in the current year. As a result, the following presentation change was necessary to be made in the financial statements:

	2017 Capital Projects Fund	Nonmajor Funds
June 30, 2023, as previously reported	\$ 1,854,308	\$ 3,047,760
Change from major to non-major fund	<u>(1,854,308)</u>	<u>1,854,308</u>
June 30, 2023, as adjusted	<u>\$ -</u>	<u>\$ 4,902,068</u>

**Note 15 - Subsequent Event**

The School District issued the 2024 School Building and Site Bonds, Series I, in the amount of \$45,495,000 on September 4, 2024. The bonds are due in annual installments between \$415,000 and \$12,835,000 beginning in 2026 and ending in 2054, and bear interest at 5.00%.

Subsequent to year end, the School District entered into a leasing arrangement for copiers. Payments of \$5,542 are due monthly through the 2028-2029 fiscal year end, as well as estimated monthly maintenance charges of \$3,092 per month.

## REQUIRED SUPPLEMENTARY INFORMATION

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**Mattawan Consolidated School**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 3,828,766	\$ 4,109,385	\$ 4,239,252	\$ 129,867
State sources	37,862,401	40,432,841	40,682,317	249,476
Federal sources	2,084,023	2,614,339	2,572,211	(42,128)
Interdistrict sources	693,147	919,077	979,250	60,173
	<u>44,468,337</u>	<u>48,075,642</u>	<u>48,473,030</u>	<u>397,388</u>
<b>Expenditures</b>				
Instruction				
Basic programs	23,482,006	24,619,626	24,035,681	(583,945)
Added needs	4,019,798	4,435,788	4,460,622	24,834
Supporting services				
Pupil	1,793,168	1,505,964	1,506,818	854
Instructional staff	1,886,257	1,888,331	1,900,898	12,567
General administration	1,058,609	1,160,097	1,161,161	1,064
School administration	2,976,345	3,002,379	2,962,039	(40,340)
Business	955,035	1,053,034	1,065,973	12,939
Operations and maintenance	3,593,555	4,269,828	4,303,972	34,144
Pupil transportation services	2,500,619	2,766,037	2,596,315	(169,722)
Central	1,218,520	1,393,785	1,424,995	31,210
Athletic activities	670,950	716,348	724,158	7,810
Community services	2,108	5,406	945	(4,461)
Capital outlay	338,709	607,905	720,903	112,998
	<u>44,495,679</u>	<u>47,424,528</u>	<u>46,864,480</u>	<u>(560,048)</u>
Net change in fund balances	(27,342)	651,114	1,608,550	957,436
Fund balance - beginning	6,444,596	6,444,596	6,444,596	-
Fund balance - ending	<u>\$ 6,417,254</u>	<u>\$ 7,095,710</u>	<u>\$ 8,053,146</u>	<u>\$ 957,436</u>

**Mattawan Consolidated School**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of the Net Pension Liability**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)**

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net pension liability (%)	0.2105%	0.2018%	0.1848%	0.1859%	0.1897%	0.1930%	0.1922%	0.1911%	0.1957%	0.1914%
B. School District's proportionate share of the net pension liability	\$ 68,136,658	\$ 75,908,258	\$ 43,758,353	\$ 63,871,114	\$ 62,834,982	\$ 58,007,064	\$ 49,817,805	\$ 47,671,789	\$ 47,808,399	\$ 42,165,934
C. School District's covered payroll	\$ 20,726,983	\$ 20,758,319	\$ 16,816,633	\$ 16,381,626	\$ 16,400,221	\$ 16,459,477	\$ 16,275,007	\$ 15,977,754	\$ 17,060,415	\$ 16,922,472
D. School District's proportionate share of the net pension liability as a percentage of its covered payroll	328.73%	365.68%	260.21%	389.89%	383.13%	352.42%	306.10%	298.36%	280.23%	249.17%
E. Plan fiduciary net position as a percentage of total pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

**Note Disclosures**

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.



**Mattawan Consolidated School**  
**Required Supplementary Information**  
**Schedule of the School District's Pension Contributions**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years**

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 8,507,248	\$ 7,554,320	\$ 6,757,474	\$ 5,533,324	\$ 5,109,806	\$ 5,272,618	\$ 5,079,671	\$ 3,157,388	\$ 3,168,504	\$ 3,557,607
B. Contributions in relation to statutorily required contributions	<u>8,507,248</u>	<u>7,554,320</u>	<u>6,757,474</u>	<u>5,533,324</u>	<u>5,109,806</u>	<u>5,272,618</u>	<u>5,079,671</u>	<u>3,157,388</u>	<u>3,168,504</u>	<u>3,557,607</u>
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. School District's covered payroll	\$ 21,200,760	\$ 20,418,511	\$ 19,609,464	\$ 16,288,688	\$ 16,478,366	\$ 16,337,225	\$ 16,408,325	\$ 16,794,665	\$ 17,099,573	\$ 17,131,624
E. Contributions as a percentage of covered payroll	40.13%	37.00%	34.46%	33.97%	31.01%	32.27%	30.96%	18.80%	18.53%	20.77%

**Mattawan Consolidated School**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)**

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.2065%	0.2127%	0.1851%	0.1845%	0.1873%	0.1930%	0.1923%			
B. School District's proportionate share of the net OPEB liability (asset)	\$ (1,167,973)	\$ 4,505,856	\$ 2,825,579	\$ 9,883,667	\$ 13,447,230	\$ 15,342,765	\$ 17,030,111			
C. School District's covered payroll	\$ 20,726,983	\$ 20,758,319	\$ 16,816,633	\$ 16,381,626	\$ 16,400,221	\$ 16,459,477	\$ 16,275,007			
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.64%	21.71%	16.80%	60.33%	81.99%	93.22%	104.64%			
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	105.04%	83.09%	87.33%	59.44%	36.39%	42.95%	36.39%			

**Note Disclosures**

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

**Mattawan Consolidated School**  
**Required Supplementary Information**  
**Schedule of the School District's OPEB Contributions**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years**

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 1,666,766	\$ 1,591,146	\$ 1,580,357	\$ 1,362,203	\$ 1,307,017	\$ 1,381,374	\$ 1,260,986			
B. Contributions in relation to statutorily required contributions	<u>1,666,766</u>	<u>1,591,146</u>	<u>1,580,357</u>	<u>1,362,203</u>	<u>1,307,017</u>	<u>1,381,374</u>	<u>1,260,986</u>			
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
D. School District's covered payroll	\$ 21,200,760	\$ 20,418,511	\$ 19,609,464	\$ 16,288,688	\$ 16,478,366	\$ 16,337,225	\$ 16,408,325			
E. Contributions as a percentage of covered payroll	7.86%	7.79%	8.06%	8.36%	7.93%	8.46%	7.69%			

## OTHER SUPPLEMENTARY INFORMATION

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**Mattawan Consolidated School**  
**Other Supplementary Information**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2024**

	Special Revenue Funds		Debt Service Funds				Formerly a Major Fund Capital Projects Funds				Total Nonmajor Governmental Funds	
	Food Service Fund	Student/ School Activity Fund	2015 Refunding Bond	2018 Bond Issue	2015 Bond Issue	2021 Debt Refunding	2017 Bond Issue	2015 Capital Projects Fund	2017 Capital Projects Fund	2018 Capital Projects Fund		2024 Capital Projects Fund
<b>Assets</b>												
Cash	\$ 886,904	\$ 532,482	\$ 103,941	\$ 378,245	\$ 113,895	\$ 568,753	\$ 291,225	\$ 5,871	\$ 230,348	\$ -	\$ -	\$ 3,111,664
Taxes receivable	-	-	12	15	14	27	12	-	-	-	-	80
Accounts receivable	-	9,945	-	-	-	-	-	-	-	-	-	9,945
Due from other funds	-	100	-	-	-	-	-	-	-	-	-	100
Due from other governmental units	15,470	-	-	-	-	-	-	-	-	-	-	15,470
Inventory	31,535	-	-	-	-	-	-	-	-	-	-	31,535
Investments	-	-	-	-	-	-	-	-	1,436,795	-	-	1,436,795
Prepaid items	65,000	-	-	-	-	-	-	-	-	-	-	65,000
<b>Total assets</b>	<b>\$ 998,909</b>	<b>\$ 542,527</b>	<b>\$ 103,953</b>	<b>\$ 378,260</b>	<b>\$ 113,909</b>	<b>\$ 568,780</b>	<b>\$ 291,237</b>	<b>\$ 5,871</b>	<b>\$ 1,667,143</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,670,589</b>
<b>Liabilities</b>												
Accounts payable	\$ 7,259	\$ 51,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,860	\$ 540,223	\$ -	\$ 267,937	\$ 870,867
Due to other funds	2,450	-	-	-	-	-	-	-	-	-	-	2,450
Accrued salaries payable	1,658	-	-	-	-	-	-	-	-	-	-	1,658
Unearned revenue	30,424	-	-	-	-	-	-	-	-	-	-	30,424
<b>Total liabilities</b>	<b>41,791</b>	<b>51,588</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,860</b>	<b>540,223</b>	<b>-</b>	<b>267,937</b>	<b>905,399</b>
<b>Fund Balances</b>												
Non-spendable												
Inventory	31,535	-	-	-	-	-	-	-	-	-	-	31,535
Prepaid items	65,000	-	-	-	-	-	-	-	-	-	-	65,000
Restricted for												
Food service	860,583	-	-	-	-	-	-	-	-	-	-	860,583
Debt service	-	-	103,953	378,260	113,909	568,780	291,237	-	-	-	-	1,456,139
Capital projects	-	-	-	-	-	-	-	2,011	1,126,920	-	-	1,128,931
Committed	-	490,939	-	-	-	-	-	-	-	-	-	490,939
Unassigned	-	-	-	-	-	-	-	-	-	-	(267,937)	(267,937)
<b>Total fund balances</b>	<b>957,118</b>	<b>490,939</b>	<b>103,953</b>	<b>378,260</b>	<b>113,909</b>	<b>568,780</b>	<b>291,237</b>	<b>2,011</b>	<b>1,126,920</b>	<b>-</b>	<b>(267,937)</b>	<b>3,765,190</b>
<b>Total liabilities and fund balances</b>	<b>\$ 998,909</b>	<b>\$ 542,527</b>	<b>\$ 103,953</b>	<b>\$ 378,260</b>	<b>\$ 113,909</b>	<b>\$ 568,780</b>	<b>\$ 291,237</b>	<b>\$ 5,871</b>	<b>\$ 1,667,143</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,670,589</b>

**Mattawan Consolidated School**  
**Other Supplementary Information**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds		Debt Service Funds					Formerly a Major Fund Capital Project Funds				Total Nonmajor Governmental Funds
	Food Service Fund	Student/ School Activity Fund	2015 Refunding Bond	2018 Bond Issue	2015 Bond Issue	2021 Debt Refunding	2017 Bond Issue	2015 Capital Projects Fund	2017 Capital Projects Fund	2018 Capital Projects Fund	2024 Capital Projects Fund	
<b>Revenues</b>												
Local sources	\$ 230,551	\$ 789,775	\$ 1,189,809	\$ 1,489,314	\$ 1,334,188	\$ 2,602,183	\$ 1,167,001	\$ -	\$ 72,142	\$ 17	\$ -	\$ 8,874,980
State sources	957,331	-	12,436	15,376	12,775	26,116	12,436	-	-	-	-	1,036,470
Federal sources	821,957	-	-	-	-	-	-	-	-	-	-	821,957
Total revenues	<u>2,009,839</u>	<u>789,775</u>	<u>1,202,245</u>	<u>1,504,690</u>	<u>1,346,963</u>	<u>2,628,299</u>	<u>1,179,437</u>	<u>-</u>	<u>72,142</u>	<u>17</u>	<u>-</u>	<u>10,733,407</u>
<b>Expenditures</b>												
Current												
Education												
Supporting services	-	816,176	-	-	-	-	-	-	-	-	-	816,176
Food services	1,920,092	-	-	-	-	-	-	-	-	-	-	1,920,092
Capital outlay	-	-	-	-	-	-	-	24,231	799,530	306,665	267,937	1,398,363
Debt service												
Principal	-	-	1,076,259	782,505	1,198,178	1,586,859	621,118	-	-	-	-	5,264,919
Interest and other expenditures	-	-	84,700	733,750	98,302	982,827	571,156	-	-	-	-	2,470,735
Total expenditures	<u>1,920,092</u>	<u>816,176</u>	<u>1,160,959</u>	<u>1,516,255</u>	<u>1,296,480</u>	<u>2,569,686</u>	<u>1,192,274</u>	<u>24,231</u>	<u>799,530</u>	<u>306,665</u>	<u>267,937</u>	<u>11,870,285</u>
Excess (deficiency) of revenues over expenditures	<u>89,747</u>	<u>(26,401)</u>	<u>41,286</u>	<u>(11,565)</u>	<u>50,483</u>	<u>58,613</u>	<u>(12,837)</u>	<u>(24,231)</u>	<u>(727,388)</u>	<u>(306,648)</u>	<u>(267,937)</u>	<u>(1,136,878)</u>
Fund balances - beginning, as previously presented	867,371	517,340	62,667	389,825	63,426	510,167	304,074	26,242	-	306,648	-	3,047,760
Change within the financial reporting entity - major to nonmajor fund	-	-	-	-	-	-	-	-	1,854,308	-	-	1,854,308
Fund balances - beginning, as adjusted	<u>867,371</u>	<u>517,340</u>	<u>62,667</u>	<u>389,825</u>	<u>63,426</u>	<u>510,167</u>	<u>304,074</u>	<u>26,242</u>	<u>1,854,308</u>	<u>306,648</u>	<u>-</u>	<u>4,902,068</u>
Fund balances - ending	<u>\$ 957,118</u>	<u>\$ 490,939</u>	<u>\$ 103,953</u>	<u>\$ 378,260</u>	<u>\$ 113,909</u>	<u>\$ 568,780</u>	<u>\$ 291,237</u>	<u>\$ 2,011</u>	<u>\$ 1,126,920</u>	<u>\$ -</u>	<u>\$ (267,937)</u>	<u>\$ 3,765,190</u>

**Mattawan Consolidated School**  
**Other Supplementary Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**June 30, 2024**

Year Ending June 30,	2015 Debt Refunding	2015 Debt Principal	2017 Debt Principal	2018 Building & Site	2021 Debt Refunding	Total
2025	\$ 1,050,000	\$ 1,270,000	\$ 575,000	\$ 720,000	\$ 1,460,000	\$ 5,075,000
2026	-	-	725,000	735,000	3,660,000	5,120,000
2027	-	-	750,000	770,000	3,095,000	4,615,000
2028	-	-	775,000	805,000	3,140,000	4,720,000
2029	-	-	800,000	845,000	3,185,000	4,830,000
2030	-	-	825,000	895,000	3,235,000	4,955,000
2031	-	-	850,000	935,000	3,295,000	5,080,000
2032	-	-	875,000	985,000	3,360,000	5,220,000
2033	-	-	900,000	1,045,000	3,415,000	5,360,000
2034	-	-	925,000	1,110,000	3,485,000	5,520,000
2035	-	-	950,000	1,185,000	3,550,000	5,685,000
2036	-	-	1,000,000	1,245,000	3,615,000	5,860,000
2037	-	-	1,050,000	1,310,000	3,685,000	6,045,000
2038	-	-	1,100,000	1,390,000	3,745,000	6,235,000
2039	-	-	1,225,000	-	3,750,000	4,975,000
2040	-	-	1,300,000	-	-	1,300,000
2041	-	-	1,350,000	-	-	1,350,000
2042	-	-	1,375,000	-	-	1,375,000
Total	<u>\$ 1,050,000</u>	<u>\$ 1,270,000</u>	<u>\$ 17,350,000</u>	<u>\$ 13,975,000</u>	<u>\$ 49,675,000</u>	<u>\$ 83,320,000</u>
Principal payments due	May 1	May 1	May 1	May 1	May 1	
Interest payments due	May 1 and November	May 1 and November	May 1 and November	May 1 and November	May 1 and November	
Interest rate	4.00% to 5.00%	3.00% to 5.00%	3.00% to 4.00%	4.00% to 5.00%	1.88% to 2.58%	
Original issue	<u>\$ 10,495,000</u>	<u>\$ 52,500,000</u>	<u>\$ 20,400,000</u>	<u>\$ 17,130,000</u>	<u>\$ 53,810,000</u>	